



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

November 17, 1997

Grain Continues To Pile Up. The bumper crop of grain continues to pile up outside of country elevators and on farms in Kansas, according to the Kansas Co-op Council. The Council doesn't expect the grain to be moved until well after Thanksgiving. Most Kansas elevators are full, including terminal elevators at Salina, Atchison, and Topeka. Large terminal elevators in St. Joseph, MO, are also full with terminal elevators in the Kansas City area at about 85 percent of capacity. Central Plains elevators have been lowering their stocks of wheat, but in many cases, incoming wheat is arriving faster than older stocks can be shipped. Low wheat prices in the export market have not helped the situation. The severe shortage of railcars, caused primarily by poor car utilization, has resulted in absolute gridlock on the UP/SP rail system. Grain carloadings for the week ended Nov. 8 totaled 25,147 cars, which is 20 percent less than last year for the similar week. Total carloadings for the calendar year to date are slightly behind last year. However, grain carloadings have fallen by more than 19,000 cars during the 4 weeks ending Nov. 8, when compared to last year for the same period, when there were few complaints about the availability of grain cars.

Barge Operators Will Remove Barges From Upper Mississippi River. Most tow boat operators will remove barges from the upper confines of the Mississippi River by Nov. 19, as ice begins to develop in the upper reaches of the river, according to the Bridge News Service. Also, this year the Army Corps of Engineers will close Locks No. 14 near Davenport, IA, on Dec. 1. Barges north of Davenport wanting to go south to St. Louis or New Orleans must be south of Davenport by Nov. 30. The Corps also announced a closing date of Dec. 15 for Lock No. 25, located south of Grafton, IL. Although barging operations can continue locally, shippers located north of the lock will not be able to ship on the river until early spring. Because of the closure, grain shippers have raised their basis bids for corn, soybeans, and wheat by 1-3 cents per bushel. Also, rail congestion has hindered the movement of grain, giving terminal operators more incentive to load as much grain as possible on barges for delivery to Mississippi Gulf export terminals.

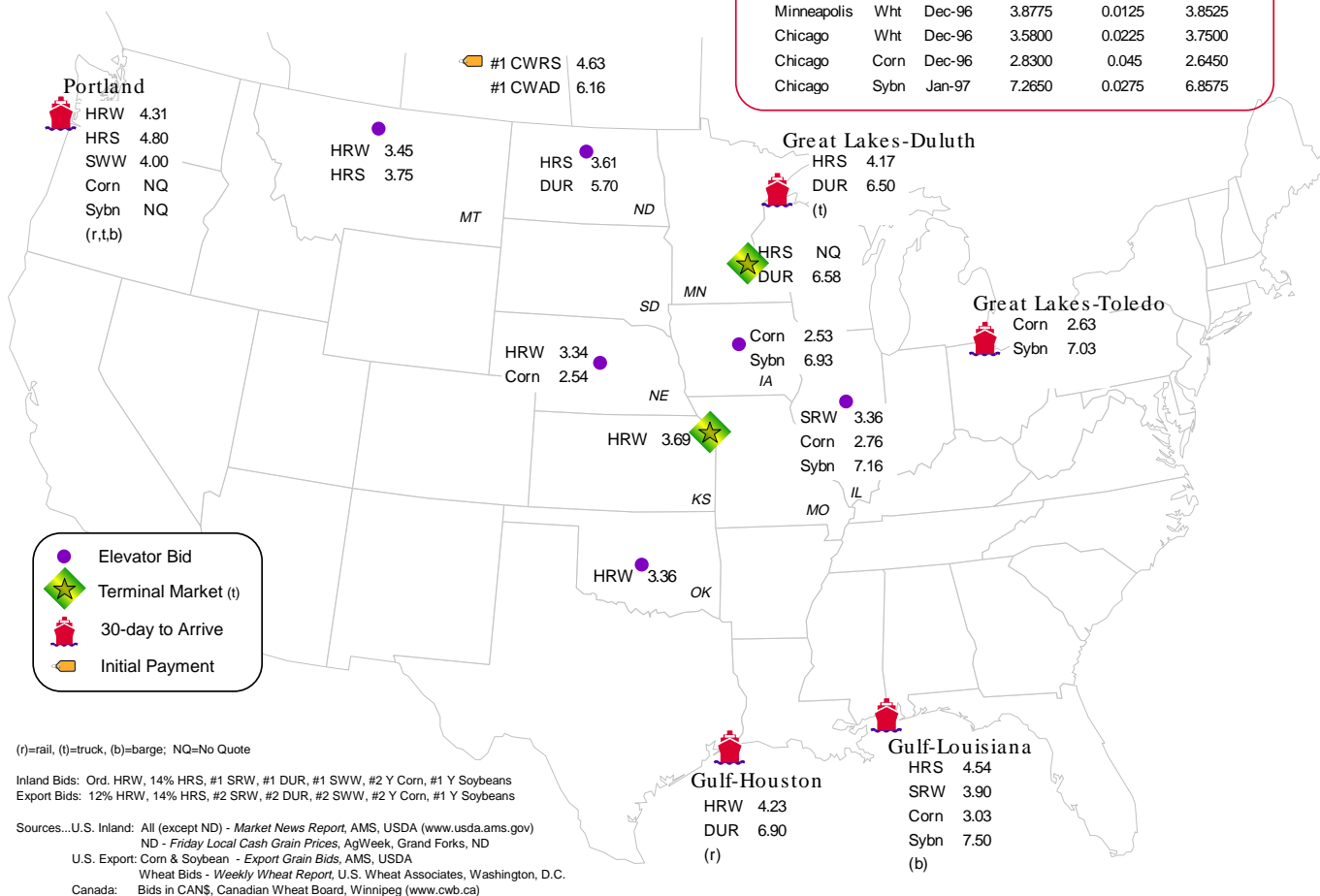
Corn Production Estimates Increase And Soybeans Remain Unchanged From Last Month. The 1997 corn production estimates released by USDA on November 10, 1997, show this year's corn production forecast at 9.36 billion bushels, 1 percent higher than reported in October and also up 1 percent from 1996 production. The corn crop estimate is based on conditions as of November 1, and yields are expected to average 126.4 bushels per acre, up 0.6 bushels from last month and nearly identical to the 126.5 bushels estimated for 1996 yields at the same time. This is the third largest corn harvest behind the record setting 1994 and 1992 corn crops. Soybean production is forecast at a record 2.74 billion bushels as of November 1, unchanged from the October 1 forecast, and 15 percent above 1996 production. The yield is forecast at 39.2 bushels per acre, 0.2 bushels above the October 1 estimate and up 1.6 bushels from 1996 yields. The estimated yield for Illinois, Indiana, and Iowa decreased from the previous monthly forecast. The corn harvest was 75 percent complete November 2 in the 17 major producing States. This compares with 62 percent for 1996 and 64 percent for the 5-year average.

River Situation. At the Melvin Price Locks and Dam during the previous 24 hours ending midnight Sunday (Nov. 16), 8 tows with 74 barges passed upbound, and 12 tows with 148 barges passed in the downbound direction. Also, on Nov. 17, a 3-hour transit delay had tows backed up at Lock and Dam 25. The Army Corps of Engineers reported they will close Lock 25 on Dec. 15, for the season. On Monday (Nov. 17), at 6:00 a.m., there were no tows waiting to go upbound, and one waiting to go downbound. In the Columbia River Basin on Friday (Nov. 14), 7 vessels were at berth loading, while 14 waited.

This report is prepared by Bill Dunton, Traffic Management Specialist. Other contributors to this report include Karl Hacker, Nick Marathon, and Paul Bertels, Agricultural Economists, AMS, Transportation and Marketing Division - (202) 690-1303. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. Reach us on the Internet at www.usda.gov/ams/tmd/grain.htm.

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Grain Bid Summary



Rail Car 'Auction' Offerings

| Delivery for: | Dec-97 | | | |
|-----------------|---------|--------|---------|--------|
| | Offered | % Sold | Offered | % Sold |
| BNSF-COT | 23,546 | 99% | 18,290 | 53% |
| UP-GCAS | 5,400 | 100% | 5,400 | 9% |

Source: Transportation & Marketing Division/AMS/USDA; www.bnsf.com; www.uprr.com

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

| Delivery for: | Jan-98 | Feb-98 | Mar-98 |
|---------------|--------|--------|--------|
| COT/N. Wheat | \$14 | \$6 | \$2 |
| COT/S. Corn | \$228 | \$177 | \$120 |
| GCAS/Region 2 | \$206 | \$171 | \$151 |
| GCAS/Region 4 | \$201 | \$176 | \$151 |

Source: TMD/AMS USDA. Data from www.bnsf.com, www.uprr.com,
 (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

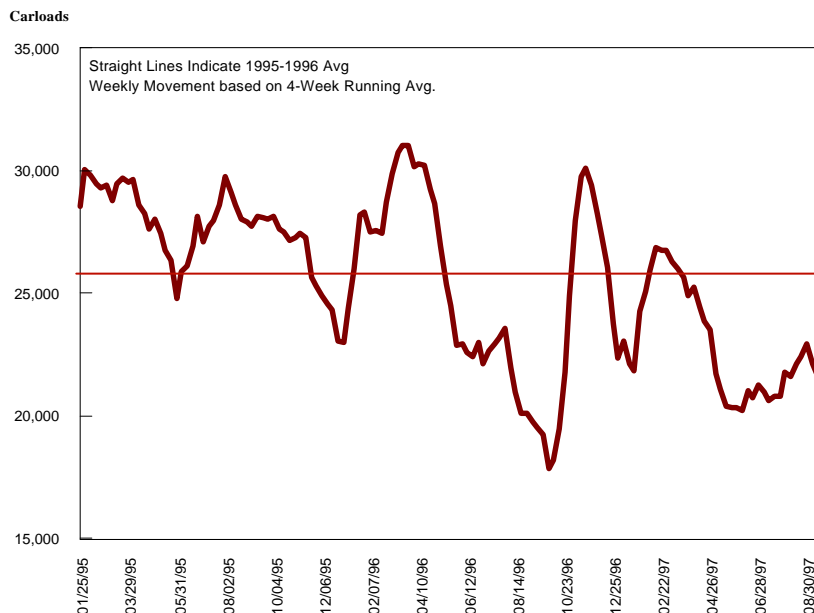
Average Premium/Discount to Tariff, \$/Car - Last Week

| | Delivery Period | | | |
|----------|-----------------|--------|--------|--------|
| | Nov-97 | Dec-97 | Jan-98 | Feb-98 |
| BNSF-COT | \$69 | \$44 | \$64 | \$64 |
| CP-GEEP | \$(32) | \$0 | \$(10) | \$0 |
| UP-Pool | \$205 | \$162 | \$172 | \$146 |

Source: TMD/ERS/USDA. Data from Atwood-Kellogg Co., Harvest States Co-op,
 James B. Joiner Co., Tradewest Brokerage Co.;
 GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed
 prices, missing value=No Bid Quoted

Grain Car Loadings for Class I Railroads



Class I Railroad Grain Car Loadings

| Week Ending: | Carloads |
|---------------------|-----------|
| 10/25/97 | 26,631 |
| 11/01/97 | 24,449 |
| 11/08/97 | 25,147 |
| Year to Date - 1997 | 1,042,130 |
| Year to Date - 1996 | 1,133,318 |
| Total 1996 | 1,284,527 |
| Total 1995 | 1,428,694 |

Source: American Association of Railroads

Class I Rail Carrier Grain Car Bulletin

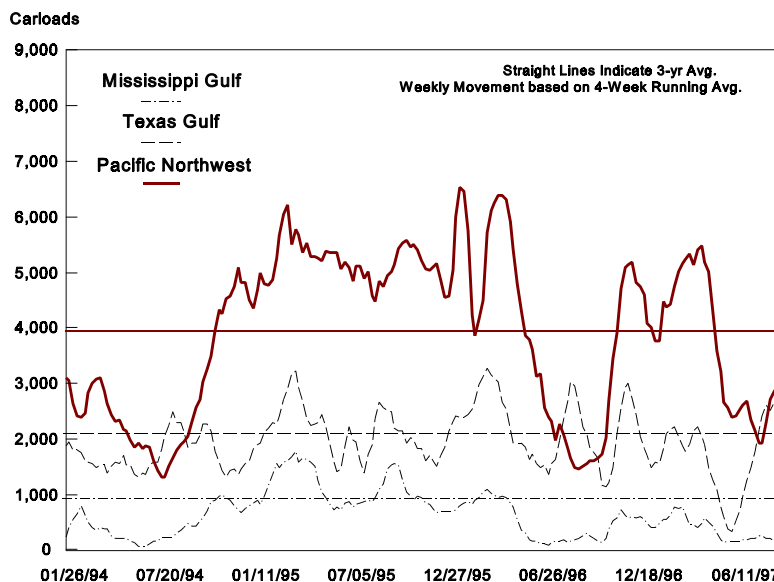
Carloads

| | Conrail | CSXT | East IC | NS | BNSF | West KCS | UP | Canada CN | CP |
|---------------------|---------|---------|------------|---------|---------|-------------|---------|--------------|---------|
| 11/08/97 | 1,254 | 3,383 | 1,712 | 3,311 | 8,475 | 724 | 6,104 | 3,552 | 5,439 |
| This Week Last Year | 777 | 3,550 | 1,148 | 3,521 | 10,896 | 752 | 10,375 | 3,538 | 6,865 |
| 1997 YTD | 24,062 | 97,929 | 70,783 | 105,553 | 372,083 | 29,885 | 335,271 | 149,435 | 236,848 |
| 1996 YTD | 27,937 | 94,378 | 48,301 | 112,404 | 375,943 | 26,129 | 378,360 | 107,209 | 144,238 |
| 1996 Total | 31,733 | 111,509 | 48,695 | 131,568 | 432,687 | 30,009 | 439,865 | 129,714 | 181,387 |
| 1995 Total | 37,851 | 133,755 | 61,612 | 139,043 | 410,274 | 34,393 | 447,786 | | |

Source: American Association of Railroads

Rail Deliveries to Port

| Rail Deliveries to Port Carloads | | | | |
|--|---------------------|---------------|----------------------|-------------------------|
| | Mississippi Gulf | Texas Gulf | Pacific Northwest | Atlantic & East Gulf |
| Week Ending: | | | | |
| 10/22/97 | 437 | 1,908 | 3,724 | 499 |
| 10/29/97 | 651 | 1,675 | 3,907 | 625 |
| 11/05/97 | 410 | 1,975 | 4,879 | 510 |
| YTD 1997 | 16,704 | 80,222 | 161,591 | 6,750 |
| YTD 1996 | 21,590 | 96,036 | 162,710 | 9,491 |
| Total 1996 | 25,560 | 112,397 | 197,897 | 11,090 |
| Total 1995 | 57,124 | 111,028 | 268,783 | 15,437 |
| Source: Transportation & Marketing Division/AMS/USDA YTD-Year-to-Date | | | | |

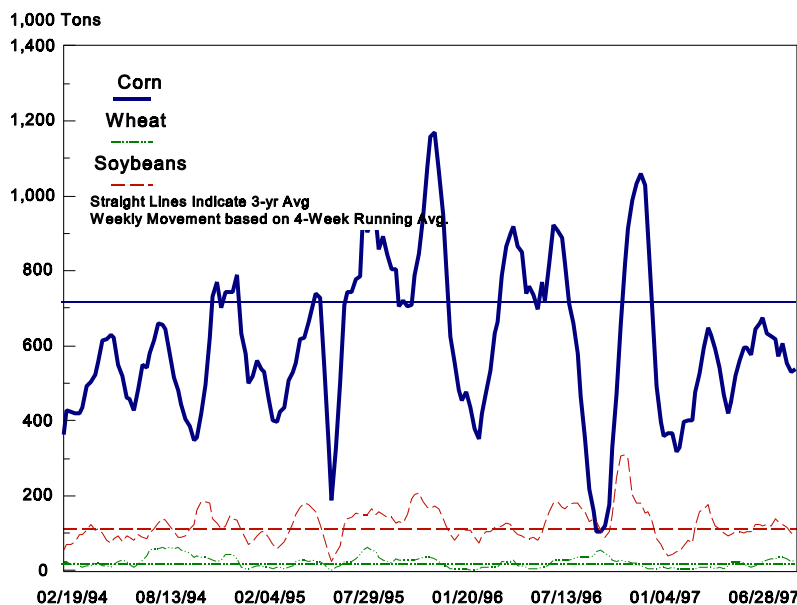


Barge Grain Movements for week ending 11/8/97

| | Corn | Wht | Sybn | Total |
|------------------------|------------|-------|-------|--------|
| | 1,000 Tons | | | |
| Mississippi River | | | | |
| Rock Island, IL (L15) | 581 | 0 | 173 | 758 |
| Winfield, MO (L25) | 513 | 6 | 91 | 612 |
| Alton, IL (L26) | 724 | 6 | 130 | 862 |
| Granite City, IL (L27) | 702 | 11 | 147 | 863 |
| Illinois River (L8) | 192 | 0 | 17 | 209 |
| Ohio (L52) | 38 | 3 | 47 | 198 |
| Arkansas (L1) | 8 | 18 | 16 | 42 |
| 1997 YTD | 24,516 | 2,402 | 7,797 | 37,589 |
| 1996 YTD | 28,028 | 2,175 | 6,916 | 40,645 |
| Total 1996 | 34,210 | 2,348 | 8,297 | 48,963 |
| Total 1995 | 38,327 | 2,388 | 7,877 | 54,433 |

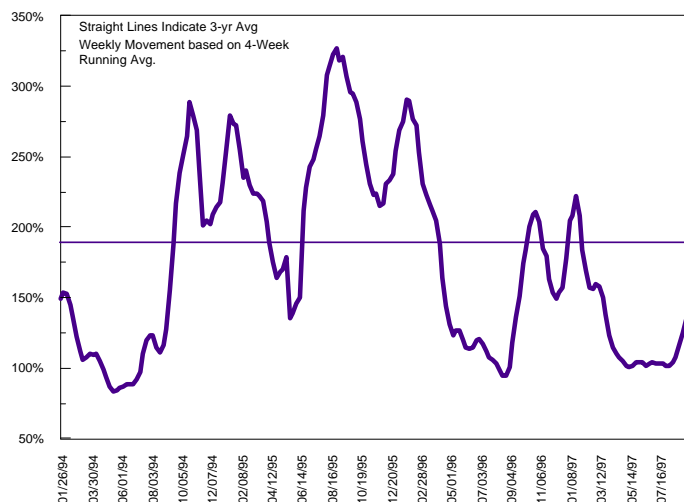
Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

Barge Movements - Locks 27



Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Southbound Barge Freight Rates

| | 11/12/97 | 11/5/97 | Dec. '97 | Feb. '98 |
|-----------------|----------|---------|----------|----------|
| Twin Cities | 221 | 242 | nq | nq |
| Mid-Mississippi | 164 | 187 | nq | nq |
| Illinois River | 136 | 142 | 141 | 175 |
| St. Louis-Cairo | 121 | 127 | 113 | 113 |
| Lower Ohio | 140 | 147 | 131 | 124 |
| Cairo-Memphis | 115 | 120 | 106 | 106 |

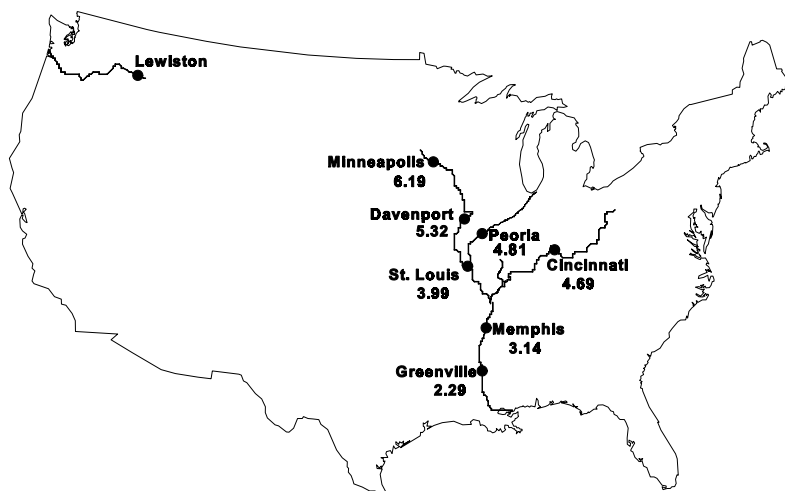
Source: Transportation & Marketing Division/AMS/USDA
nq- not quote

Southbound Barge Freight Contract Rates*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

| Week ended | River/Region | Contract Period | Rate |
|------------|--------------|-----------------|------|
| 11/17/97 | Mid-Miss | November | 160 |

* Merchants Exchange of St. Louis Daily Barge Call Session



U.S. Export Balances* (1,000 Metric Tons)

| | <u>Wheat</u> | | | | | | <u>Corn</u> | <u>Soybean</u> | <u>Total</u> |
|-------------------------------------|--------------|------------|------------|------------|------------|------------|-------------|----------------|--------------|
| | <i>HRW</i> | <i>SRW</i> | <i>HRS</i> | <i>SWW</i> | <i>DUR</i> | <i>All</i> | | | |
| <u>Unshipped Exports-Crop Year</u> | | | | | | | | | |
| 11/06/97 | 1,632 | 537 | 989 | 658 | 323 | 4,138 | 7,606 | 7,331 | 19,075 |
| This Week Year Ago | 842 | 285 | 1,172 | 1,038 | 191 | 3,528 | 14,132 | 7,748 | 25,408 |
| <u>Cumulative Exports-Crop Year</u> | | | | | | | | | |
| 96/97 YTD | 4,720 | 3,017 | 2,992 | 2,519 | 601 | 13,850 | 6,829 | 6,616 | 27,295 |
| 95/96 YTD | 4,799 | 3,185 | 4,008 | 2,723 | 447 | 15,162 | 6,789 | 4,599 | 26,550 |
| 95/96 Total | 9,867 | 6,792 | 8,918 | 6,443 | 897 | 32,917 | 55,769 | 23,550 | 112,236 |
| 94/95 Total | 10,157 | 5,453 | 7,686 | 5,837 | 893 | 30,026 | 54,742 | 23,410 | 108,178 |

Source: Federal Grain Inspection Service YTD-Year-to-Date (ffas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

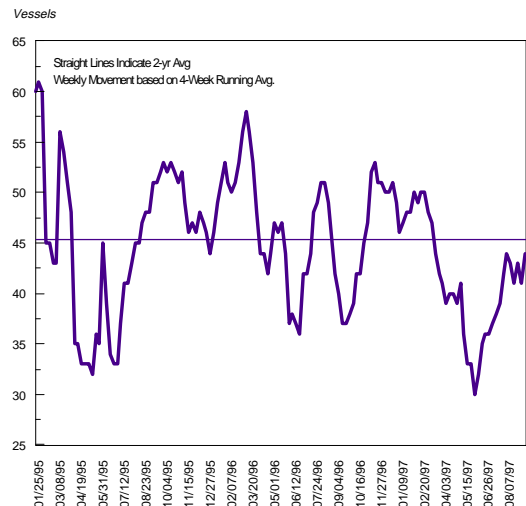
| | <u>Pacific Region</u> | | | <u>Mississippi Gulf</u> | | | <u>Texas Gulf</u> | | |
|----------------|-----------------------|-------------|----------------|-------------------------|-------------|----------------|-------------------|-------------|----------------|
| | <i>Wheat</i> | <i>Corn</i> | <i>Soybean</i> | <i>Wheat</i> | <i>Corn</i> | <i>Soybean</i> | <i>Wheat</i> | <i>Corn</i> | <i>Soybean</i> |
| 11/06/97 | 178 | 207 | 64 | 111 | 380 | 941 | 85 | 0 | 60 |
| 1997 YTD ** | 9,577 | 8,507 | 1,476 | 5,471 | 24,471 | 14,473 | 4,341 | 989 | 659 |
| 1996 YTD ** | 11,550 | 8,189 | 1,590 | 6,628 | 29,901 | 13,384 | 7,221 | 767 | 545 |
| % of Last Year | 83% | 104% | 93% | 83% | 82% | 108% | 60% | 129% | 121% |
| 1996 Total | 12,803 | 10,550 | 1,820 | 7,207 | 36,634 | 17,687 | 7,766 | 1,226 | 772 |

Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

Select Canadian Ports - Export Inspections
1,000 Metric Tons, Crop Year

| | <u>Wheat</u> | <u>Durum</u> | <u>Barley</u> |
|------------------|--------------|--------------|---------------|
| Vancouver | 2,101 | 327 | 377 |
| Prince Rupert | 1,063 | 0 | 233 |
| Prairie Direct | 251 | 52 | 45 |
| Thunder Bay | 213 | 225 | 95 |
| St. Lawrence | 1,816 | 451 | 8 |
| 1997 YTD Exports | 5,444 | 1,055 | 758 |
| 1996 YTD Exports | 3,609 | 1,269 | 849 |
| % of Last Year | 151% | 83% | 89% |

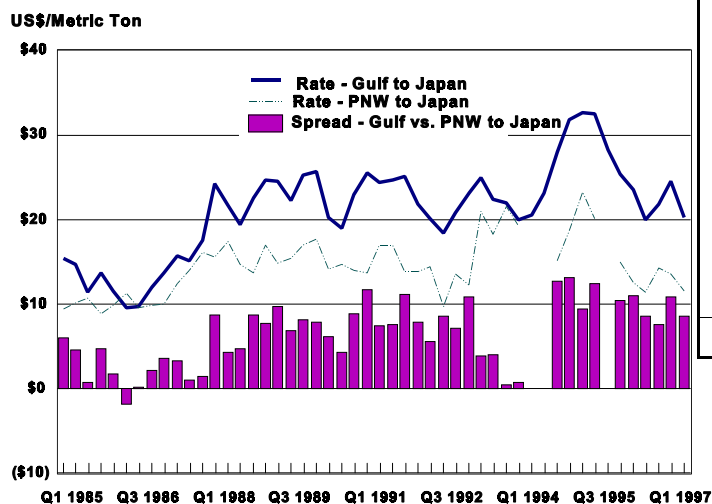
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31

**Gulf Region
Vessels Loaded
- Past 7 Days-****Port Region Ocean Grain Vessels**

| | <u>Gulf</u> | | | <u>Pacific Northwest</u> | | | <u>Vancouver, B.C.</u> | | |
|------------|----------------|----------------------|-------------------------|--------------------------|----------------------|-------------------------|------------------------|----------------------|-------------------------|
| | <u>In Port</u> | <u>Loaded 7-Days</u> | <u>Due Next 10-Days</u> | <u>In Port</u> | <u>Loaded 7-Days</u> | <u>Due Next 10-Days</u> | <u>In Port</u> | <u>Loaded 7-Days</u> | <u>Due Next 10-Days</u> |
| 11/13/97 | 33 | 49 | 70 | 0 | 0 | 0 | 55 | 59 | 70 |
| 11/6/97 | 35 | 56 | 75 | 0 | 0 | 0 | 57 | 52 | 71 |
| 1996 Range | (17..46) | (38..61) | (27..88) | | | | | | |
| 1995 Range | (11..67) | (22..64) | (31..90) | | | | | | |
| 1996 Avg | 37 | 46 | 62 | | | | | | |
| 1995 Avg | 31 | 45 | 60 | | | | | | |

Source: Transportation & Marketing Division/AMS/USDA

Quarterly Ocean Freight Rates



Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

| | 1996 1 st Qtr | 1997 1 st Qtr | % Change | | 1996 1 st Qtr | 1997 1 st Qtr | % Change |
|-----------|-----------------------------|-----------------------------|-------------|---------------|-----------------------------|-----------------------------|-------------|
| Gulf to | | | | Pacific NW to | | | |
| Japan | \$25.09 | \$24.52 | -2% | Japan | \$14.09 | \$13.61 | -3% |
| Korea | \$23.63 | | | Korea | \$12.94 | \$12.06 | -7% |
| Taiwan | \$23.81 | \$23.54 | -1% | Taiwan | \$14.31 | \$15.06 | 5% |
| Rotterdam | \$11.53 | \$11.78 | 2% | | | | |
| N. Africa | \$18.91 | \$21.86 | 16% | Argentina to | | | |
| Venezuela | \$17.06 | \$16.24 | -5% | Japan | \$24.47 | \$34.70 | 42% |
| Mexico | \$22.18 | \$10.83 | -51% | Rotterdam | \$22.18 | \$15.62 | -30% |

Source: TMD/AMS/USDA

Ocean Freight Rates

| Export Region | Import Region | Month | Vessel Size tons | Freight Rate \$/ton |
|---------------|---------------|----------|------------------|------------------------|
| St. Lawrence | Rotterdam | November | 44,000 | \$9.00 |
| PNW | Taiwan | December | 54,000 | \$12.50 |
| Gulf | Japan | December | 54,000 | \$22.00 |
| Gulf | China | November | 50,000 | \$21.00 |
| Gulf | Morocco | November | 30,000 | \$12.50 |
| Gulf | Taiwan | December | 54,000 | \$21.25 |
| Gulf | Hamburg | November | 55,000 | \$10.50 |

Source: Maritime Research Inc.

Tariff Rail Rates for Unit Train Shipments

November 1, 1997

| Date Effective | Tariff Item | Commodity | Origin | Destination | Rate Per Car | Rate Per MT | Rate/Per Bushel* |
|----------------|-------------|-----------|-----------------|--------------|--------------|-------------|------------------|
| 04/10/97 | 45560 | Wheat | Minneapolis, MN | Houston, TX | \$2,588 | \$23.48 | \$0.78 |
| 08/01/96 | 43521 | Wheat | Minneapolis, MN | Portland, OR | \$4,241 | \$38.48 | \$1.27 |
| 04/01/97 | 46531 | Wheat | Kansas City, MO | Houston, TX | \$1,350 | \$12.25 | \$0.41 |
| 08/15/96 | 43586 | Wheat | Kansas City, MO | Portland, OR | \$3,491 | \$31.68 | \$1.05 |
| 05/15/97 | 43581 | Wheat | Omaha, NE | Portland, OR | \$3,205 | \$29.08 | \$0.96 |
| 01/09/97 | 31040 | Corn | Minneapolis, MN | Portland, OR | \$2,850 | \$25.86 | \$0.80 |
| 03/27/97 | 33110 | Corn | Kansas City, MO | Houston, TX | \$1,400 | \$12.70 | \$0.39 |
| 11/21/96 | 31035 | Corn | Kansas City, MO | Portland, OR | \$2,500 | \$22.69 | \$0.70 |
| 05/02/97 | 31030 | Corn | Omaha, NE | Portland, OR | \$3,050 | \$27.68 | \$0.85 |
| 01/18/97 | 61180 | Soybean | Minneapolis, MN | Portland, OR | \$2,900 | \$26.32 | \$0.87 |
| 01/18/97 | 61180 | Soybean | Omaha, NE | Portland, OR | \$2,680 | \$24.32 | \$0.80 |

Approximate Load/Car = 100 tons

*Est. with Wheat=60 lb/bu; Corn=56 lb/bu; Soybean=60 lb/bu

Source: www.bnsf.com